Message Text

CONFIDENTIAL

PAGE 01 VALLET 02360 01 OF 02 271003Z ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 AID-05 TRSE-00 ACDA-12 IO-13 EB-08 OMB-01 /115 W

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FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 8358

INFO AMEMBASSY ALGIERS

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TRIPOLI

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CONFIDENTIAL SECTION 01 OF 02 VALLETTA 02360

E.O. 11652: GDS TAGS: PEPR, MT

SUBJECT: MINTOFF'S JULY 31 DEADLINE

- 1. SUMMARY: HEREWITH OUR ASSESSMENT OF THE RISKS INVOLVED IN MINTOFF'S ULTIMATUM TO THE EUROPEANS CONCERNING JULY 31. WE THINK THEY ARE MANAGEABLE BECAUSE WE THINK MINTOFF STILL WANTS TO PRESERVE HIS POLICY OF BALANCED NEUTRALITY FOR MALTA. BUT WE EXPECT HIM TO BECOME INCREASINGLY DIFFICULT, AND THERE IS A MINORITY VIEW HERE THAT MINTOFF HAS ALREADY DECIDED TO PICK UP THE LIBYAN OPTION. END SUMMARY.
- 2. AS DEPARTMENT IS AWARE, OUR EUROPEAN ALLIES FACE A JULY 31 DEADLINE FROM MINTOFF EITHER TO PROMISE THE FINANCIAL AID HE DEMANDS OR (HE SAYS) HE WILL PICK UP HIS CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VALLET 02360 01 OF 02 271003Z

LIBYAN OPTION. THIS DEADLINE HAS BEEN DESCRIBED TO US AS "IMMUTABLE." OBVIOUSLY THIS DEADLINE CANNOT BE MET. THE QUESTION IS WHETHER THE THREAT IS REAL. THE EUROPEANS, WHO APPEAR SLOWLY TO BE GETTING THEMSELVES ORGANIZED TO COME UP WITH SOME KIND OF RESPONSE TO MINTOFF, SEEM GENERALLY CONFIDENT THE ROOF WILL NOT FALL IN. SO ARE WE.

- 3. HAVING SAID THAT, WE ADMIT TO BEING A BIT CLOSER TO THE EDGE OF OUR CHAIRS THAN USUAL IN THE CASE OF SUCH MINTOFF ULTIMATA. BUT WE REMAIN REASONABLY CONFIDENT THAT THIS LATEST IN MINTOFF'S THREATS IS SIMPLY ONE MORE MOVE IN THE POKER GAME WHICH WE CAN EXPECT TO RUN RIGHT DOWN TO THE WIRE OF MARCH 31, 1979. THERE IS, AS ATTORNEY GENERAL EDGAR MIZZI COMMENTED INFORMALLY TO US RECENTLY, A CERTAIN DEJA VU ABOUT ALL THIS; HE PREDICTED THAT THE WEST WOULD FINALLY COME FORWARD, AS IT DID IN 1972, WITH A SATISFACTORY RESPONSE TO MALTA'S REQUESTS BUT AGAIN PROBABLY NOT BEFORE "SOMETHING LIKE MARCH 26, 1979."
- 4. AT RISK OF CLIMBING OUT ON LIMBS, OUR CONFIDENCE REGARDING JULY 31 RESTS ON SEVERAL PREMISES: FIRST, THAT MINTOFF GENUINELY WANTS A NORTH/SOUTH ARRANGEMENT OF REASONABLE BALANCE BECAUSE OF HIS LONG-STANDING POLITICAL ATTACHMENT TO HIS CONCEPT OF MALTA ACTING AS A BRIDGE OF PEACE IN THE MIDDLE OF THE MED AND BECAUSE HE ALSO SEES THAT AS THE SAFEST MEANS OF INSURING MALTA'S SECURITY AND ECONOMIC WELL-BEING; SECOND, THAT MINTOFF, POLITICAL ANIMAL THAT HE IS, RECOGNIZES THAT TO GO SOLO WITH LIBYA WOULD LEAVE HIM A PRETTY SMALL FISH IN A BIG POND WITH LITTLE LEVERAGE LEFT WITH BIG FISH QADHAFI; THIRD, THAT MINTOFF KNOWS THAT BY PICKING UP THE LIBYAN OPTION HE PLACES AT SOME RISK THE EXPANDED ECONOMIC RELATIONSHIP WITH THE WEST, PARTICULARLY IN THE PRIVATE SECTOR, THAT HE AND HIS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VALLET 02360 01 OF 02 271003Z

GOVERNMENT HAVE BEEN WORKING HARD TO DEVELOP FOR THE LAST SEVERAL YEARS. FINALLY, THERE REMAINS THE QUESTION HOW SOLID THE LIBYAN OPTION IS; I.E. WHETHER INDEED MINTOFF HAS ANY FIRM COMMITMENT FROM QADHAFI FOR BUDGETARY AID IN THE AMOUNT HE SEEKS.

5. IF THIS ASSESSMENT IS CORRECT, WE DOUBT MINTOFF WILL BE BURNING ANY BRIDGES AS OF ONE AUGUST (WHEN HE WILL HAVE A HIGH LEVEL CHINESE VISITOR IN TOWN IN ANY EVENT - SEPTEL). HE MAY GO PUBLIC WITH A NEW DENUNCIATION OF THE EUROPEANS. BUT THEN GO OFF ON HIS REPORTED VACATION WITHOUT ANY SPECIFIC ACTION VIS-A-VIS LIBYA. HE HAS "SUSPENDED" HIS DIALOGUE WITH THEM ON AT LEAST ONE PREVIOUS OCCASION. HE COULD DECIDE TO SAY NOTHING TO THE EUROPEANS, EITHER PUB-LICLY OR PRIVATELY, LEAVING THEM UNCERTAIN AS TO HIS INTENTIONS IN HOPES OF PUTTING PRESSURE ON THEM TO ACT. OR HE MAY TAKE SCHMIDT'S LETTER WHEN IT ARRIVES THIS WEEK AS SUFFICIENT FOR THE MOMENT TO SAY WHATEVER HE NEEDS TO REGARDING THE JULY 31 DEADLINE; E.G. THAT THE EUROPEANS HAVE FINALLY BUCKLED DOWN IN RESPONSE TO MALTA'S DEMANDS AND ARE FINALLY TALKING TURKEY ABOUT FUTURE AID. THE JULY 31 DEADLINE NEED NOT BE ALL THAT DIFFICULT FOR HIM IN

TERMS OF DOMESTIC POLITICS - IT BEING EXPRESSED MORE THROUGH DIPLOMATIC CHANNELS THAN PUBLICLY AND BECAUSE PARLIAMENT WILL RISE THIS WEEK, NOT TO BE BACK IN SESSION UNTIL POSSIBLY OCTOBER.

6. IN THIS CONNECTION, WE ASSUME THAT IMPLEMENTING THE JULY 31 DEADLINE IN ANY HARD AND FAST WAY WOULD MEAN SCUTTLING THE QUADRIPARTITE NORTH/SOUTH NEUTRALITY GUARANTEE THAT MINTOFF HAS ALREADY IN LARGE PART WORKED OUT WITH HIS NORTH/SOUTH NEIGHBORS. WE DOUBT VERY MUCH HE WANTS TO DO THIS.

CONFIDENTIAL

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CONFIDENTIAL

PAGE 01 VALLET 02360 02 OF 02 271119Z ACTION EUR-12

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CONFIDENTIAL SECTION 02 OF 02 VALLETTA 02360

7. THIS IS NOT TO SAY THAT WE ANTICIPATE A MODERATE MINTOFF IN THE COMING MONTHS. ON THE CONTRARY, WE CAN ANTICIPATE PRESSURE FROM HIM IN VARIOUS DIRECTIONS, AIMED AT GETTING THE MAXIMUM OUT OF ALL CONCERNED. THUS THE BBC ISSUE AND THE CURRENT GOVERNMENT PRESS CAMPAIGN AGAINST THE BRITISH. (SEPTEL) HE PROBABLY SEES HIS ULTIMATUM TO THEM REGARDING THE LOCAL BRITISH MILITARY BROADCAST FACILITY (BFBS) AND ITS IMPLEMENTATION AS A USEFUL EXERCISE IN DEMONSTRATING TO BOTH HIS DOMESTIC AUDIENCE AND THE EUROPENS THAT WHERE NECESSARY HE WILL CARRY THROUGH ON HIS

THREATS TO THE "FOREIGNER" (A MUCH ABUSED TERM LOCALLY). HE UNDOUBTEDLY ALSO SEES THIS ACTION AS WELL RECEIVED IN TRIPOLI. WHILE WE STILL HAVE NO EVIDENCE THAT THE BFBS ACTION WAS LINKED TO THE QADHAFI VISIT, MINTOFF MAY NONE-THELESS HAVE MADE COMMITMENTS WITH QADHAFI WHILE HE WAS HERE TO TAKE CERTAIN ACTIONS VIS-A-VIS THE EUROPEANS BY A CONFIDENTIAL.

CONFIDENTIAL

PAGE 02 VALLET 02360 02 OF 02 271119Z

GIVEN DATE. IN ANY EVENT WE ANTICIPATE THE LIBYAN RELATIONSHIP WILL CONTINUE TO GROW; E.G., THE ESTABLISHMENT LAST WEEK OF A NEW MALTESE/LIBYAN COMPANY TO RUN AND SERVICE SMALL AIRCRAFT OUT OF MALTA, REPORTS OF PLANS TO OPEN ADDITIONAL LIBYAN EDUCATIONAL INSTITUTIONS HERE, AND AFM COMMANDER'S VISIT TO LIBYA LAST WEEK FROM WHICH HE RETURNED WITHOUT ANYTHING SPECIFIC BUT WITH AN IMPRESSION OF WILLINGNESS TO PROVIDE MILITARY EQUIPMENT.

- 8. THERE WILL BE OTHER MINTOFF ACTIONS TO KEEP ALL CONCERNED ON EDGE. RUMORS HAVE CIRCULATED THAT ADDITIONAL ACTIONS DIRECTED AGAINST THE UK SERVICES HERE ARE POSSIBLE, AND THAT MINTOFF HAS IN MIND AN ACCELERATION OF THEIR WITHDRAWAL TIMETABLE (NOT UNLIKELY, IN ANY EVENT, AFTER THE OCTOBER 1 PAYMENT, AS A LOW-COST TACTIC TO BE ANTICIPATED FURTHER TO PRESSURE THE WEST AND TO ENCOURAGE QADHAFI TO INCREASE HIS LARGESSE). THE VISIT OF A CHINESE VICE PREMIER TO MALTA IS, FOR MINTOFF'S PURPOSES, A USEFUL INGREDIENT IN THE STEW NOT LEAST WITH THE RUSSIANS.
- 9. WE MAY BE WRONG IN OUR BASIC JUDGMENT. THERE IS A MINORITY VIEW, SUPPORTED BY THE DEFENSE ATTACHE HERE, THAT MINTOFF MEANS WHAT HE SAYS ABOUT HIS DEADLINE; THAT HE IS READY TO DENOUNCE THE EUROPEANS FOR THEIR SHILLY-SHALLYING AND PICK UP THE LIBYAN CARD TO SEE WHAT IT'S WORTH TO HIM; THAT HE MAY SEEK TO ENLARGE THIS OPTION WITH SOME EAST EUROPEAN INVOLVEMENT; AND THAT IN ANY EVENT HE INTENDS TO FORCE THE BRITISH OUT BEFORE 31 MARCH 1979, IN PART TO STRENGTHEN HIS CREDENTIALS AMONG THE NON-ALIGNED. THIS VIEW RESTS ON THE ASSUMPTION THAT QADHAFI'S PROMISES TO MINTOFF ARE SUBSTANTIAL AND REAL, AND THAT MINTOFF IS PREPARED TO PUT THE ONUS ON QADHAFI TO FOLLOW THROUGH, IN LIGHT OF HIS ORAL AND PUBLIC PLEDGE WHILE HERE RECENTLY TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VALLET 02360 02 OF 02 271119Z

"DOUBLE" LIBYAN AID AS SOON AS THE BRITISH BASE IS TERMINATED.

10. WE ASSUME THAT EVEN WERE MINTOFF TO TAKE THIS COURSE IT WOULD BE ON THE BASIS OF CONTINUING TO TRY TO GET EVERYTHING HE COULD OUT OF THE EUROPEANS (AND US) IN BILATERAL TERMS; VIZ, FOREIGN SECRETARY ABELA'S COMMENT TO US EARLIER THAT IMPLEMENTATION OF THE JULY 31 DEADLINE WOULD MEAN CONTINUING MALTA'S BILATERAL RELATIONSHIPS WITH EUROPE; THAT WHILE THERE WOULD BE NO FOREIGN MILITARY BASE, MALTA'S NON-ALIGNED POSTURE WOULD BE ONE LEANING TOWARD THE ARABS, LIBYA IN PARTICULAR. WE DON'T BELIEVE THAT SERVES OUR INTERESTS - WHICH IS WHY ALTHOUGH WE BELIEVE WE CAN BE RELATIVELY RELAXED ABOUT JULY 31 WE SHOULD CONTINUE TO DO WHAT WE CAN TO ENCOURAGE AN EARLY AND ONGOING, IF STILL HARD-NOSED, EUROPEAN DIALOGUE WITH MINTOFF. LAINGEN

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